

**Assembly Bill No. 2869**

**CHAPTER 646**

An act to amend Section 9601 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2869, Levine. Local publicly owned electric utilities: condemnation process: distribution facilities.

Existing law relating to electrical restructuring prohibits a local publicly owned electric utility or an electrical corporation from selling electric power to the retail customers of another local publicly owned electric utility or electrical corporation unless the first utility has agreed to let the second utility make sales of electric power to the retail customers of the first utility.

This bill would specify that those provisions do not apply to an exchange of customers affected by a local publicly owned electric utility completing a mutually agreeable condemnation process to resolve a fringe area agreement in which there exists a balance of benefits between the customers of the local publicly owned electric utility and the electrical corporation.

*The people of the State of California do enact as follows:*

SECTION 1. Section 9601 of the Public Utilities Code is amended to read:

9601. (a) Except with respect to supply options of the nature specified in Section 218, with the exception of paragraph (3) of subdivision (b) of that section, as it existed on December 20, 1995, no person, corporation, electrical corporation, or local publicly owned electric utility or other governmental entity other than a retail customer's existing electric service provider as of December 20, 1995, shall provide partial or full electric service to a retail customer of a local publicly owned electric utility unless the customer first confirms in writing an obligation to pay, through tariff or otherwise, to the utility currently providing electric service, a nonbypassable generation-related severance fee or transition charge established by the regulatory body for that utility. The severance fee or transition charge shall be paid directly



to the local publicly owned utility providing electricity service in the service area in which the consumer is located.

(b) Except as provided in subdivision (a) of Section 374, no local publicly owned electric utility or other governmental entity shall provide partial or full electric service to a retail customer of an electrical corporation unless the customer of that electrical corporation first confirms in writing an obligation to pay, through tariff or otherwise, to the electrical corporation currently providing electric service, a nonbypassable generation-related transition charge established by the regulatory body for that electrical corporation. The charge shall be paid directly to the electrical corporation providing electricity in the service area in which the consumer is located.

(c) No local publicly owned electric utility or electrical corporation shall sell electric power to the retail customers of another local publicly owned electric utility or electrical corporation unless the first utility has agreed to allow the second utility to make sales of electric power to the retail customers of the first utility.

(d) This section does not apply to an exchange of customers affected by a local publicly owned electric utility completing a mutually agreeable condemnation process to resolve a fringe area agreement in which there exists a balance of benefits between the customers of the local publicly owned electric utility and the electrical corporation.

